It has been extended by 3 months. The question of uncertainty has not arisen as the post has not been kept vacant.

(d) UTI has stated that there is no vacancy at its top management level.

(e) Total investible funds of UTI amounted to Rs. 61.638 crores as on 28-2-1995. The number of outstanding unitholding accounts was 483 lakhs as on 30-4-1995.

(f) There are 58 schemes presently in operation.

(g) Does not arise in view of reply to (a) to (c) above.

Government to examine private participation in Cellular Telephone Projects

6902. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Finance Ministry is examining the conditions laid down by the Communications Ministry for private sector particiation in basic and Cellular Telephone Projects;

(b) if so, what aspects of the projects are being examined; and

(c) what are the reasons for this exercise by Finance Ministry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) Ministry of Finance is not involved in the examination of the individual private sector projects for basic and cellular telephone services. However, Finance Secretary is a Member of the Telecommunications Commission which formulates the broad guidelines for private sector participation in Cellular Mobile Phone services and Basic Phone services.

Public issue of Essar Oil Limited

6903. SHRI DILIP SINGH JUDEV: Will the Minister of FINANCE be pleased to refer to the answer to Starred Question 201 given in the Rajya Sabha on 28th March, 1995 and state:

(a) whether Government are aware that Essar Oil Limited in its public issue prospectus had mentioned that for part financing its refinery project, the company will raise Rs. 300 crores through a planned Euro Issue and Rs. 815 crores through Euro/Debt. Bonds extorial Commercial Borrowing in the year 1996-97;

(b) if so, whether the company had obtained prior in principal approvals from the Government for raising the money abroad in the year 1996-97;

(c) if not, whether the company have taken the investor for a ride by mentioning in the prospectus mean of finance which were purely a matter of Government policy subject to changes;

(d) if so, whether SEBI's vetting the prospectus was in order, particularly when the means of finance of the refinery project remained united to the extend of Rs. 1500 crores; and

(e) whether Government are aware that in the past an Essar Group company for their Rs. 1264 crores HR coils project had left Rs. 700 crores untiled at the time of its public issue of Rs. 500 crores way back in 1989; and

(f) what safeguards Government are taking to prevent such a recurrence in the case of the public issue in question relating to Refinery project?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (d) Yes, Sir. However, the fact that the funds were yet to be tied up was mentioned in the prospectus and also given as a risk factor on the cover page of the prospectus, SEBI had ensured adequate disclosure in the prospectus so that the investors could make informed decisions.

(e) Yes, Sir. The project was appraised by Financial Institutions and the required means of finance were tied up.

(f) In case of large projects SEBI ensures that the details of untied in disclosed in public issue documents in an appropriate manner.

Infrastructure Financing by Financial Institutions

6904. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have set up a high level committee to discuss infrastructing financing by Financial Institutions;

(b) if so, who are members of this high level committee;

(c) whether industrial finance would suffer due to this requirement of infrastructure financing; and

(d) the steps proposed to assess such needs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Yes, Sir. An Expert Group on commercialisation of infrastructure projects has been set up in October, 1994 with representatives from the various Department of the Central Government, from National Stock Exchange, Securities and Exchange Board of India, Housing & Urban Development Corporation of India, Infrastructure Leasing and financial Services, Mahanagar Telephone Nigam Ltd., Industrial Credit and Investment Corporation of India Ltd. and from Privae Sector.

(c) and (d) The Expert Group would examine problems relating to institutional arrangements, legal framework and specific sector constraints that are presently inhibiting the flow of resources to the sector and in particular recommend suitable ways and means to facilitate private sector participation, private-public Sector partnership in financing infrastructural projects, and ways of harnessing private international capital flows for infrastructural development also.

RBI to monitor end use of funds by companies

6905. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether RBI was working on a mechanism to monitor end-use of funds by companies;

(b) what were the reasons for considering the formation of such a mechanism;

(c) whether Government has received reports of misuse of funds from Financial Institution by companies; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY) (a) and (b) Reserve Bank of India (RBI) has reported that it is necessary for every bank to ensure that credit extended by it to a borrower is utilised for the purpose for which the credit facility is sanctioned. With the objective of ensuring that banks follow the lending discipline and lending guidelines issued to them by RBI, RBI has been scrutinising reports submitted by banks at post-sanction stage under its Credit Monitoring Arrangement.

(c) and (d) Presumably, the Hon'ble Member is referring to sanction of bridge loans by banks and financial institutions. RBI has reported that a sample scrutiny of bridge loans of Rs. 5 crores and above sanctioned by banks during the period December 1, 1993 to March 31, 1994, did not reveal any specific misuse of bridge loans by the borrowers. But it was found that banks were not ensuring end-use of funds lent.

Rehabilitation of sick small units

6906. SHRI YERRA NARAYANASWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether SIDBI has a scheme to finance rehabilitation of sick small scale units;